



MARYLAND

GRAIN & LIVESTOCK REPORT

July 20, 2012	MDA #117	VOLUME 37	No. 29	PUB. Weekly
WEEKLY GRAIN COMMENTARY		Kevin McNew	Adjunct Professor, UMD-College Park	

Weather is Hot, Markets are Hotter

As we head towards the hot, dog days of summer the commodity and equity prices remain on fire and in a torrid bull rally. The Dow is up 166.27 points as of Thursday’s close ending at 12,943.36. Oil has followed in the midst of the summer driving season trading up \$5.18 a barrel this week near \$92.25 as of this writing. Gold continues to slip losing another \$8.30 an ounce to settle at \$1,580.70 today. The dollar index is sharply lower this week adding more fuel to the rally in commodities.

Corn set new all-time highs at \$8.16 ¾ on nearby contract, but we are starting to see signs of demand destruction as export sales were 180,000 MT, which was well below expectations of 300,000-450,000 MT. Also, ethanol hit the lowest production level since June 2010 at 802,000 barrels per day, which is down 8.1% year-over-year. This evidence is showing up in the cash market too with basis levels at the Gulf falling 21 cents this week and ethanol plants on average falling 7 cents on their basis levels. These basis declines could be partly a function of the futures rallying, but I feel the decline is partly due to weak export demand and ethanol production.

Soybeans have been the leader to the upside the last couple of sessions because crop development is in the critical pod setting stage and rain is needed to prevent further yield reductions. As a result of the worsening weather forecasts, soybeans rallied to a new all-time high at 1749 on the nearby August contract. Slower exports have done little to curtail the rally with sales being reported as a combined 407,000 MT combined for this year and next, which was below expectations of 450,000-700,000 MT.

Wheat has had spillover support from corn and soybeans and has rallied 86 ½ cents to end trade today at \$9.34 ¼ on the nearby CBOT contract. This grain does not have much legs of its own to stand on, but nevertheless is benefitting substantially from sharp rallies in the rest of the grain and oilseed markets. Export sales were strong at 589,200 MT, beating expectations of 350,000-500,000 MT for the week.

The weather is hot, but the commodity and equity markets are hotter for now. Grains have rallied to new levels never before reached as an unrelenting drought has its grip on the Midwest. Early indications of demand destruction are starting to rear their ugly heads as export sales have been slow and ethanol production is falling fast. Weather and demand will be at the forefront of traders’ minds in the weeks to come.

CASH GRAIN PRICE – REGIONAL (\$/bu) DEALERS AVERAGE CASH QUOTES

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	7/10	7/17	7/10	7/17	7/10	7/17	7/10	7/17
Western, MD	7.89	8.26	15.10	15.49	7.79	8.32	4.10	4.25
Central, MD	7.10	8.60	15.95	15.83	8.02	8.65	----	----
Southern, MD	7.69	8.30	15.71	16.19	----	8.45	----	----
Upper E. Shore	7.94	8.55	15.79	16.27	----	8.50	----	----
Lower E. Shore	8.09	8.66	15.94	16.42	7.84	8.48	----	----

FORWARD CONTRACT PRICE – REGIONAL (\$/bu) HARVEST DELIVERY DEALER’S AVG. QUOTES

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	7/10	7/17	7/10	7/17	7/10	7/17	7/10	7/17
Western MD	----	----	----	----	----	----	----	----
Central MD	----	----	----	----	----	----	----	----
Southern MD	----	----	----	----	----	----	----	----
Upper E Shore	----	----	----	----	----	----	----	----
Lower E Shore	7.38	7.91	14.69	15.21	7.48	7.66	----	----

GRAIN FUTURES - CME Group - Settle - July 19, 2012 Quarter - cents/bushel)

Corn		Soybeans		Wheat		Soybean Meal ^{1/}	
SEP12	807’6	AUG12	1733’6	SEP12	935’0	AUG12	532.0
DEC12	778’4	SEP12	1691’2	DEC12	934’4	SEP12	514.6
MAR13	770’4	NOV12	1652’2	MAR13	913’4	OCT12	495.4
MAY13	767’0	JAN13	1634’0	MAY13	880’0	DEC12	487.3
JLY13	760’2	MAR13	1526’6	JLY13	816’4	JAN13	475.5
SEP13	646’6	MAY13	1450’4	SEP13	816’0	MAR13	437.5
DEC13	609’0	JLY13	1443’0	DEC13	824’0	MAY13	404.6
MAR14	614’0	AUG13	1415’4	MAR14	827’4	JLY13	398.5
MAY14	610’4	SEP13	1349’4	MAY 14	813’2	AUG13	387.2
JLY14	609’4	NOV13	1295’0	JLY14	731’2	SEP13	376.4

HAY AND STRAW

New Holland, PA - July 16, 2012 - \$/ton

Alfalfa	Mixed Hay	Timothy	Grass	Straw	
240.00 – 390.00	100.00 – 460.00	200.00 – 340.00	145.00 – 320.00	120.00 – 200.00	

Westminster, MD – July 16, 2012 - \$/bale

Alfalfa Mix	Timothy	Timothy Mix	Grass Mix	Straw	
4.60 – 4.90	3.80 – 4.20	4.00 – 4.50	2.10 – 5.10	1.00 – 2.60	

POULTRY ^{2/}							
Negotiated price for truck lot of ready-to-cook, ice-pack, Grade A Fryers (\$/CWT) – Week Ending - July 21, 2012							
		Current Week		Prev. Week		Prev. Month	Prev. Year
N.Y. Weighted Avg.		81.75		81.45		86.61	74.09
12 City Composite		83.92		83.36		87.14	80.08
SHEEP & LAMBS - Westminster, MD – July 17, 2012 – (\$/CWT)				GOATS & KIDS- July 17, 2012			
Sheep	40.00 – 109.50	Lambs Under 50	120.00 – 172.50	Large		100.00 – 157.50	
		50 – 80 lbs	130.00 – 177.50	Medium		58.00 – 97.50	
		90 – 130 lbs	125.00 – 175.00	Kids		32.50 – 40.00	
HOGS & PIGS							
DIRECT MARKET HOGS - July 19, 2012 ^{2/}			MARKET HOGS - Westminster, MD – July 17, 2012				
*Base Price Range	Carcass Basis	Weighted	Butcher Hogs		Sows		
	Base 185 lb Hog	Average	#1 215 – 275 lbs	61.00 – 65.00	Heavyweights	33.00 – 44.00	
Iowa, Minn	87.00 – 99.00	94.67	Heavyweights	62.00 – 64.50			
Eastern Cornbelt	84.25 – 94.00	85.72			Boars		
* Base price is the price from which no discounts are subtracted and no premiums are added.					Heavyweights	29.50 – 50.50	
MARKET HOGS-Lancaster, New Holland & Vintage, PA - (\$/CWT) - July 16, 2012 ^{2/}							
Percent Lean	Weight	Price		Percent Lean	Weight	Price	
49 - 54	220 – 300 lbs	68.00 – 71.50		45 - 49	220 – 300 lbs	65.00 – 67.00	
	300 – 400 lbs	61.00 – 63.50			300 – 400 lbs	59.00 – 61.00	
FEEDER PIGS-Lancaster, New Holland & Vintage, PA- (\$/CWT) (US 1-2)- July 18, 2012 Next Feeder Pig sale – August 1, 2012 ^{2/}							
Weight	Price	Wt Avg Price					
25 – 30 lbs	140.00 – 150.00	142.14					
30 – 40 lbs	120.00 – 135.00	126.48					
40 – 50 lbs	120.00 – 125.00	122.50					
LIVESTOCK FUTURES - CME Group - Settle (CWT) – July 19, 2012							
LIVE CATTLE – FUTURES				LEAN HOGS – FUTURES			
AUG12	118.95	FEB13	131.05	AUG12	93.05	FEB13	80.98
OCT12	124.40	APR13	133.80	OCT12	80.00	APR 13	85.25
DEC12	128.08	JUN13	132.00	DEC12	76.83	MAY13	91.70
STOCKER – FEEDER CATTLE – (\$/CWT)							
Winchester, VA – July 16, 2012 ^{2/}			Westminster, MD – July 17, 2012				
Steers	300 – 400 lbs	152.00	Steers	200 – 300 lbs	112.00 – 132.50		
	400 – 500 lbs	138.00 – 148.00		400 – 500 lbs	77.00 – 113.00		
	500 – 600 lbs	133.00 – 139.00		600 – 700 lbs	88.00 – 103.50		
	600 – 700 lbs	119.00 – 129.75		800 – 1000 lbs	88.00 – 108.00		
	700 – 800 lbs	121.00 – 127.00					
Heifers	300 – 400 lbs	127.00 – 142.00	Heifers	200 – 300 lbs	92.00 – 128.00		
	400 – 500 lbs	120.00 – 135.00		400 – 500 lbs	82.00 – 126.00		
	500 – 600 lbs	116.00 – 122.00		600 – 700 lbs	109.00		
	600 – 700 lbs	117.00 – 124.00		800 – 1000 lbs	N/A		
	700 – 800 lbs	116.00 – 118.50					
SLAUGHTER CATTLE (\$/CWT)							
Westminster, MD – July 17, 2012							
Sltr. Cows			Fed Heifers				
Breakers	62.00 – 65.00		Fat	102.50 – 108.50			
Boners	56.00 – 61.00		Lean	94.00 – 100.00			
Thin/Slow	54.00 & Down		Holsteins	N/A			
Fed Steers			Holstein Bull Calves to Feed				
Fat	109.00 – 115.00		#1	87.50 – 92.50			
Lean	101.00 – 107.50		#2	57.50 – 85.00			
Select	93.50 – 100.00		#3	52.50 & Down			
Lancaster, New Holland & Vintage – July 19, 2012 ^{2/}							
Sltr. Steers:			Sltr. Heifers:				
Hi Ch & Pr 3-4	1285 – 1545 lbs	113.00 – 115.00	Hi Ch & Pr 2-4	1108 – 1340 lbs	109.00 – 111.00		
	1590 – 1688 lbs	106.00 – 111.00	Choice 2-3	1100 – 1300 lbs	106.00 – 108.00		
Choice 2-3	1190 – 1525 lbs	110.00 – 113.00	Select 1-3	1108 – 1205 lbs	103.00 – 106.00		
Select 1-3	1060 – 1305 lbs	107.00 – 110.00					
			Sltr. Cows:	Percent Lean	Avg. Dressing		
Sltr. Holsteins:			Premium White	65 – 75	76.00 – 78.00		
Hi Ch & Pr 2-4	1250 – 1625 lbs	98.00 – 101.00	Breakers	75 – 80	73.00 – 76.00		
Choice 2-3	1190 – 1615 lbs	95.00 – 98.00	Boners	80 – 85	69.00 – 73.00		
			Lean	88 – 90	67.50 – 71.50		

1/ Price Unit: Dollars and cents/ton (100 tons (2,000 lbs/ton))

2/ Source: USDA, AMS

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